



BROWN-FORMAN

MARY E. BARRAZOTTO
VICE PRESIDENT &
ASSOCIATE GENERAL COUNSEL

August 30, 2005

VIA ELECTRONIC MAIL

Mr. John Manfreda, Administrator
Alcohol & Tobacco Tax and Trade Bureau
U.S. Treasury
1310 G Street, NW
Washington, DC 20220

Re: TTB Notice 49 – Petition to amend 27 CFR, sec. 4.27 (vintage date regulations)

Dear Administrator Manfreda:

As you are aware, the Tax and Trade Bureau is currently considering public comment for TTB Notice 49, an amendment to “27 CFR, sec. 4.27” regarding vintage date regulations and requirements for wine labeling in the United States. Brown-Forman Corporation strongly supports the change to this section of wine law as proposed by the Wine Institute petition.

Brown-Forman Corporation, through its Fetzer Vineyards, is a California wine grower with global wine sales in excess of three million cases annually. We support the change to 85% vintage dating as proposed by the Wine institute petition for the following reasons:

1. Economic: Current regulation creates an uneven competitive environment, favoring wines from countries with a lower vintage date percentage requirement. This imbalance grants economic and technological advantages to those wineries, and the growers who supply them, situated in a country that has lower vintage date percentage requirements.
2. Wine Quality: When making our wines, where consistency of flavor and mouth feel is important, there is considerable winemaking advantage in being able to use either a younger or an older wine in a blend. Without this opportunity, U.S. wineries, like our Fetzer Vineyards, are placed at a competitive disadvantage in the global market because they are less able to make wines of consistent quality at an attractive price as compared to other countries with a lower vintage date percentage requirement.
3. Efficiency: The imbalance in vintage date percentage requirements economically impedes the efficiency of our winery, increasing production costs over those wineries in

other countries. Global competition need not invest in as much cooperage as California wineries since they do not require surplus tanks for older vintage remnants. This less efficient tank utilization leads to California wineries like Fetzer purchasing and processing more grapes without greater capital investment in new storage. With a change in the regulation as proposed, better tank efficiency will lead to lower production costs, which will support more competitive pricing.

In essence, the Wine Institute petition seeks to establish baseline vintage date percentage levels that are consistent with the global marketplace. Wineries who so choose are not precluded from maintaining the current 95% vintage date percentage requirement or even using 100% from a specific harvest year, and mentioning this fact in labeling and advertising.

In summary, Brown-Forman Corporation supports the proposed change in vintage date regulation that will allow wineries to move from a 95% blend of the vintage stated to 85% for State and County Appellations. Thank you for your consideration of our input and please feel free to contact us with any questions.

Sincerely,



Mary E. Barrazotto

MEB/fmk